

Information for Dealer License Applicants

In order for the Secretary of State to issue a dealer, transporter, loaner, or auction license, the applicant shall:

- File the proper **application and total fees** to include the filing fee, licensing fee and adequate fees to cover the total number of plates requested.
 - A. If for some reason the license and registration(s) are not issued, all fees except the filing fee will be rebated. The filing fee is nonrefundable by law.
 - B. The questionnaire will be waived on applications from finance companies and banks because there is no inspection required for these types of business.
- Complete a **questionnaire** and have it properly notarized.
- On the **zoning form** provided for this purpose, furnish proof of compliance with building codes, zoning and land use ordinances. The form must be signed by an official of the city/town where the business is being licensed, and the official's signature must be notarized.
- Submit a completed Maine State Police **SBI background check** to determine if there are any criminal records filed against any owners or corporate members.
- *If the business is a partnership*, submit a copy of the **partnership agreement** which must list the percent of ownership of each partner. Before it is submitted, the papers must be recorded at the city/town office in the municipality where the business is located.
- *If the business is a corporation*, submit a copy of the **Articles of Incorporation** from the State of Maine, or in a case of a foreign corporation, proof of authority to conduct business in Maine. In both cases, we also require a separate letter signed by the corporate clerk listing the names, titles, and percent of ownership of all members of the corporation. In addition, if the applicant intends to operate under an assumed name (or DBA), then an application for assumed name must be filed with the Bureau of Corporations. They can be reached at 624-7752.
- *If the applicant is an individual owner*, you must **register your DBA** with the city/town office in the municipality where the business is located.
- *If the facility is not owned by the applicant*, submit a copy of the **lease agreement** which has been signed by both the lessee and lessor and both signatures properly witnessed or notarized.
- Submit a copy of the **plot plan**.
- Obtain a **sales tax number** by contacting the Maine Revenue Services at 287-2336.
- Submit to an **inspection** of the facility by a Bureau of Motor Vehicle investigator to determine that the facility meets at least the minimum requirements for the type of license you are requesting.
 - A. Once a favorable report is received and approved, the license, plate(s) and registration(s) will be issued when:

1. Proof of **insurance** to cover the type of plate(s) requested and a **surety bond** has been filed by your insurance company. You should contact your insurance agent who will then notify the company to make necessary filings on your behalf. Dealers of light trailers, equipment, and mobile homes are not required to file a bond.

The face value of the surety bond is prorated based on the number of sales per year. The schedule is as follows:

<u>Annual Sales</u>	<u>Bond Value</u>
For 0-50 sales	\$ 5,000
51-100 sales	10,000
100-150 sales	15,000
151-200 sales	20,000
200 sales and up	25,000

Information for Use of Certain Dealer Plates

New and used car dealer plates may be used by the owner of the business, full time sales people, general managers, sales managers, and service managers who are on the payroll of the business, but **not** by the spouses or families of these people. Part time employees or employees working under classifications other than those mentioned above may **not** use a dealer plate for personal use.

Service vehicle plates: In addition to business plates, applicants for a new car, used car, or equipment dealer license may also apply for service vehicle plates to attach to their service vehicles. **Not to be used on a wrecker!** No more than *three* such plates may be issued per location of a dealership. The use of a service vehicle bearing one of these plates must be limited to ***service in direct connection with the dealer's business***. These plates may **not** be used for personal use.

Family plates: Motor vehicle laws allow for the issuance of a family plate if the business is licensed as a used car, new car, or motorcycle dealership. These plates are designated as B1, B2, B3, etc., and may be used by the owner's spouse or children of legal driving age that live in the dealer's household. If there are two or more owners in the business, then each must own at least 20% of the business.

Wrecker plates: Applicants for a new car, used car, or equipment dealer license may also apply for dealer wrecker plates. These plates are for attachment to wreckers used only in direct connection with the buying, selling, or repair business of the dealership. **Not to be used for commercial towing!** There are two types of wrecker plates available. One is for use on a wrecker that does not exceed 24,000 pounds gross vehicle weight (GVW) at the cost of \$50.00 each. The other is for use on a wrecker that does not exceed 80,000 pounds GVW at the cost of \$200.00 each.

All dealer licenses expire on the last day of the month one year from issuance.